



**SBA Supporting and Encouraging Economic
 Development Through Entrepreneurship
 March 2004**



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Strong Start in Lending Continues



Last month saw a continuation of the strong beginning that this fiscal year has had. The 7(a) lending

level for the **Cleveland District Office** continues to run 31% above where we were a year ago. The increase is ahead of both the national increase as well as the Region 5 increase.

The following is a table showing the lending activity of the most active participants in the district.

Bank	Number of Loans	Dollars
National city Bank	91	7,466
U.S. Bank	47	2,226
Sky Bank	43	6,757
FirstMerit Bank	36	9,020
Capital One Fed. Savings Bank	34	1,290
Huntington National Bank	32	3,848
Bank One	31	4,359

See article on 504 lending pg. 2

President Bush Visits Cleveland

President Bush visited with small businesses here in Northern Ohio at the Woman's Entrepreneurship in the 21st Century Summit in Cleveland, Ohio held in Cleveland on March 10, 2004.



During the President's recent visit to Cleveland he spoke at the Woman's Entrepreneurship in the 21st Century conference. The conference was attended by approximately 1,200 women small business owners. Topics and workshops covered a myriad of areas from access to capital and certification to discussions on the role of women as leaders.



U.S. Small Business Administration Administrator Hector V. Barreto and U.S. Secretary of Labor Elaine L. Chao were present to host the Summit. The Summit was the fifth and final conference in a series that focused on the issues facing women entrepreneurs.

Women entrepreneurs are a driving force in today's economy. They are redefining the workplace, business networks, financial institutions, and our culture. As business owners, they face challenges to growth, long-term viability and financial health. The Summits were designed to help businesswomen network with their peers and gain valuable tools and insights from each other's experiences.

"Women-owned businesses are the fastest growing segment of the economy and that is reflected in SBA loan programs. Last year, the number of SBA loans approved for women small business owners increased by 33 percent. Small business truly is the engine that drives job growth in this country, and women-owned small businesses are leading the way" stated Administrator Hector V. Barreto

The U.S. Department of Labor, the U.S. Small Business Administration and the Center for Entrepreneurial Excellence all sponsored the Summit.

For more information, please visit the SBA Online Women's Business Center at <http://www.onlinewbc.gov>.

504 Lending Remains Strong, too

Lenders are active in the 504 area as well.

The following are the top five lenders in 504.

Lender	Number of 504s
FirstMerit	8
Bank One KeyBank Sky Bank	3 each
GE Capital	2

The top lender under the 504 Program will be recognized with a special SBA award at the end of our fiscal year.

The Certified Development Companies (CDCs) continue to lead the 504 charge. The top CDCs so far this year are:

CDC	Number of Debentures	Total Projects Amount
Cascade CDC	11	\$21,621,000
Growth Capital	4	\$4,002,000
Lake County SBAC	4	\$4,376,000
Stark Dev. Board	4	\$4,745,000

NEW ERA BUILDERS, INC. HONORED AT SBA 50th ANNIVERSARY CELEBRATION IN GREEN BAY, WI



The U.S. Small Business Administration announced seven recipients of the Midwest region's 2004 District Director Choice Awards. The award winners are:

- Illinois: Pacific Construction Services, Inc., Chicago (Ike Hong, president)
- Indiana: AIT Laboratories, Indianapolis (Michael A. Evans, Ph.D., president & CEO)
- Michigan: Saturn Electronics & Engineering, Inc., Auburn Hills (Wallace K. Tsuha, chairman & CEO)
- Minnesota: Clemenson Enterprises Incorporated (CEI), Brooklyn Park (Lyle J. Clemenson, president)
- **Cleveland, OH: New Era Builders, Inc. , Cleveland (Joseph Lopez, president)**
- Columbus, OH: Sophisticated Systems, Columbus (Dwight Smith, president & CEO)
- Wisconsin: National Packaging Services (NPS), Green Bay (Andrew Hetzel, president and owner)

“One of the privileges of this job is being able to recognize those small businesses who exemplify the American Dream,” SBA Administrator Hector V. Barreto said. “The companies we are honoring today exemplify the innovation and the drive that make small business the driving force of job creation in this country. I would like to congratulate the seven award winners and all small business owners across the region.”

These awards were presented at the SBA’s 50th Anniversary Luncheon in Green Bay, Wisconsin at the Lambeau Field Atrium on Monday, March 22.

“We are truly proud of these outstanding award winners,” says SBA Midwest Regional Administrator Patrick Rea. “They are the engine that fuels economic production throughout our 7 district Midwest region.”

The event also brought recognition to SBA’s significant contributions toward strengthening America’s economy through small business development and job creation.

See page 5 for a profile of the winner.

New Service Available to Our Lending Partners

Partners may receive

“SBA LENDER

UPDATE”, a

message which will

contain breaking

news about SBA Lending Programs, via e-mail by signing up on LISTSERV.



LISTSERV is an SBA electronic mailing list used to electronically disseminate topic-related publications to people who have opted to enroll.

“SBA LENDER UPDATE” is used to broadcast late breaking news regarding the Agency’s lending programs. SBA does not send SPAM (i.e., unsolicited mass e-mails), therefore LISTSERV allows people to **voluntarily** subscribe to receive agency e-mail.

The LISTSERV will not be used to distribute all SBA notices, only those containing time-sensitive information that must be distributed immediately. It will not replace any existing communication channel and should not be solely relied upon. SBA will continue to post 5000 series notices at

<http://www.sba.gov/banking/indexnotices.html>.

How to sign up for SBA LENDER UPDATE?

To subscribe simply go to the following LISTSERV web site:

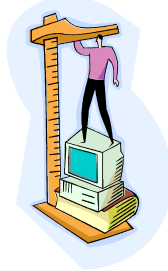
<http://www.sba.gov/banking/listserv.html> .

Subscribers will receive an e-mail confirmation, which they must respond to

within 48 hours. This precautionary measure ensures that someone else did not subscribe for them and that they truly want to receive the information.

Restructuring of Size Standards

Small businesses will benefit from a broad simplification of the U.S. Small Business Administration's size standards that will use the number of employees as the determining factor in nearly all cases and collapse the number of different standards to just 10.



The proposed rule was published in the Federal Register on March 19, 2004, with public comments due by May 18, 2004. For public comments on the proposed rule change, e-mail your comments to restructure.sizestandards@sba.gov.

SBA's size standards define whether a business entity qualifies as small and whether it is eligible for government programs and assistance reserved for small businesses, including some programs in other agencies.

Under the new rule, more small businesses will be eligible to apply for SBA's financing and loan programs as well as contracting and business development programs such as the 8(a) Business Development program, HUBZone Empowerment Contracting program and small business set-asides.

Size standards are established separately for an industry as defined by the North American Industry Classification System.

If the rule is adopted, the SBA's size standards will undergo a major restructuring that will decrease the current small business size standards from 37 to 10 employee-based size standards, with the exception of the

agriculture industry, which is required by law to be measured by receipts.

The size standards for small businesses will range between 50 and 1,500 employees, depending upon the industry or the relative SBA program. The change will allow more businesses to obtain small business status and become eligible for SBA's programs and services.

The SBA also proposes to establish a receipts cap—an average annual receipt amounts for some industries. There are 31 industries under the receipts cap. Some of these industries include construction, computer services, engineering, consulting and facilities support services. Businesses in these industries that meet the employee-based size standard will not be able to exceed a specific receipts cap to qualify as an eligible small business.

To further simplify the size standards, the SBA proposed that: the size standards for the Surety Bond Guarantee program be modified to reflect the requirement that a contractor has to meet for its primary industry, the 125,000 barrels per calendar day component for petroleum refiners are expanded beyond federal procurement and open to all small business programs using SBA's size standards, the market-share size standard for tire manufacturers that apply only to federal procurement is eliminated, the three receipts size standards and one employee-based size standard for the sale or lease of government property are modified and the non-manufacturer size standard, a size standard that applies to wholesale trade businesses, is revised from 500 employees to 100 employees for purposes of federal procurement.

For additional information on the new rule change, visit the SBA's Office of Size Standards Web page at www.sba.gov/size, and click on "What's New?"

New 504 Wizard



This Information Notice is to announce a revision to the current 504 Authorization Wizard, version 4.2. The new version is called 4.2 SR1. This version incorporates the

reduction to the underwriter's fee for the 20-year debenture sales beginning April 2004 that was announced in SBA Procedural Notice 5000-907. This is the only change that has been made in this version.

Beginning March 15, 2004, the revised authorization will be available for use by the SBA Field Offices for the 504 loan authorizations they prepare. Certified Development Companies (CDC) will have to separately obtain the modified Wizard from the SBA Banking Site at www.sba.gov/banking.

If you have any questions or concerns regarding the 504 Wizard, please submit your comments to the 504 Authorization e-mail box at 504Auth@sba.gov.

Business Profiles

Northern Ohio is fortunate to have a large number highly skilled in and successful small business entrepreneurs. Beginning with this issue we will profile each month one of these businesses. If you are aware of a small business that you feel is deserving of special recognition and would like to nominate them as a "profile of the month" please send your nominations to the SBA

district office. Owners are certainly invited to nominate themselves.

In light of the fact that New Era Builders recently received the District Director's Award we felt it appropriate to begin are small business profiles series featuring their business.

MATCHING UP WITH UNCLE SAM

Entrepreneurs make their own success by aggressively pursuing opportunities presented to them. Joe Lopez knows all about opportunities and how to make them happen. That's what makes him an entrepreneurial success story.

Following years spent as a general construction laborer working for others, Joe pursued his dream of being his own boss. His entrepreneurial career began modestly with the acquisition, rehab and resale of several Cleveland area residential properties, but Joe has taken those humble beginnings and grown his New Era Builders, Inc. into a commercial construction firm that now generates in excess of \$18 million in annual revenues! Part of that growth is due to work that Joe's company does for the federal government.

Always seeking opportunities for new business, Joe learned from SBA's Cleveland District Office about an upcoming Business Matchmaking Event. Sponsored by the U.S. Chamber of Commerce and U.S. Small Business Administration (SBA), the event held at Cleveland Browns Stadium on October 9 and 10, 2002, marked the first of 15 such meetings held throughout the country in 2002 and 2003. As part of the registration for these events, small business owners and buying agents completed online profiles of what they do or what products or services they were looking to purchase, and the system then

“matched” them together. The matched businesses and buyers then got together at pre-scheduled, one-on-one meetings over the two day event to discuss potential business opportunities.

New Era Builders’ services matched the needs of several potential buyers that attended the event. Joe enthusiastically attended the conference and came away with a \$300,000 order from the U.S. Navy for security upgrades to the Marine Corps Reserve Center in Brookpark, Ohio. This represented the first contract awarded as a result of the matchmaking event. New Era successfully completed the contract, and the Navy was very pleased with New Era’s workmanship on the job.

New Era Builders Inc. is an SBA certified 8(a) company. The 8(a) Business Development program supports minority-owned government contractors through a wide range of services. Through this program, New Era Builders has received contract awards from the U.S. Coast Guard, General Services Administration (GSA), the Veterans Administration (VA), and NASA.

In part due to its government contracting work, New Era Builders Inc. has seen its revenues grow roughly 750% over the past five years! Presently his federal contracts contribute approximately 15% toward his total revenues. Joe Lopez strives to make his New Era Builders into the largest Hispanic-owned general contracting firm in Northeast Ohio, and, based on his success to date, it is apparent that he is well on his way to making that goal a reality.

Despite his success, Joe remains humble and dedicated to giving back to his community. He readily volunteers his time to a myriad of community organizations, including The Cleveland Regional Minority Purchasing

Council, the Hispanic Business Association, the U.S. Hispanic Chamber of Commerce, Esperanza, and Leadership Cleveland. Joe remembers his roots and volunteers much of his time helping others pursue their own entrepreneurial opportunities!